



CITY OF HOBART

AGENDA

**SPECIAL JOINT MEETING OF THE COMMUNITY, CULTURE AND EVENTS, CITY PLANNING, FINANCE, CITY INFRASTRUCTURE, ECONOMIC DEVELOPMENT AND COMMUNICATIONS, PARKS AND RECREATION, AND GOVERNANCE COMMITTEES
(OPEN PORTION OF THE MEETING)**

WEDNESDAY, 20 APRIL 2016

AT 5.00 PM

THE MISSION

Our mission is to ensure good governance of our capital City.

THE VALUES

The Council is:

about people

We value people – our community, our customers and colleagues.

professional

We take pride in our work.

enterprising

We look for ways to create value.

responsive

We're accessible and focused on service.

inclusive

We respect diversity in people and ideas.

making a difference

We recognise that everything we do shapes Hobart's future.

I, Nicholas David Heath, General Manager of the Hobart City Council, hereby certify that:

1. In accordance with Section 65 of the Local Government Act 1993, the reports in this agenda have been prepared by persons who have the qualifications or the experience necessary to give such advice, information or recommendations included therein.
2. No interests have been notified, pursuant to Section 55(1) of the Local Government Act 1993, other than those that have been advised to the Council.



N.D. HEATH
GENERAL MANAGER

SPECIAL JOINT MEETING OF THE COMMUNITY, CULTURE AND EVENTS, CITY PLANNING, FINANCE, CITY INFRASTRUCTURE, ECONOMIC DEVELOPMENT AND COMMUNICATIONS, PARKS AND RECREATION, AND GOVERNANCE COMMITTEES AGENDA (OPEN)

Committee Members

Deputy Lord Mayor Christie
(Chairman)

Zucco

Briscoe

Ruzicka

Sexton

Burnet

Cocker

Thomas

Reynolds

Denison

Harvey

Aldermen

Lord Mayor Hickey

Special Joint meeting of the Community, Culture and Events, City Planning, Finance, City Infrastructure, Economic Development and Communications, Parks and Recreation, and Governance Committees (Open Portion of the Meeting) - Wednesday, 20 April 2016 at 5.00 pm in the Lady Osborne Room.

PRESENT:

APOLOGIES:

LEAVE OF ABSENCE: Alderman D C Thomas.

CO-OPTION OF COMMITTEE MEMBERS IN THE EVENT OF A VACANCY

Where a vacancy may exist from time to time on the Committee, the Local Government Act 1993 provides that the Council Committees may fill such a vacancy.

1. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST

In accordance with Part 2 Regulation 8 (7) of the Local Government (Meeting Procedures) Regulations 2015, the chairman of a meeting is to request Aldermen to indicate whether they have, or are likely to have, a pecuniary interest in any item on the agenda.

In addition, in accordance with the Council's resolution of 14 April 2008, Aldermen are requested to indicate any conflicts of interest in accordance with the Aldermanic Code of Conduct adopted by the Council on 27 August 2007.

Accordingly, Aldermen are requested to advise of pecuniary or conflicts of interest they may have in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the committee has resolved to deal with, in accordance with Part 2 Regulation 8 (6) of the Local Government (Meeting Procedures) Regulations 2015.

2. TEN YEAR CAPITAL WORKS PROGRAM – FILE REF: 21-3-2

24x's

Report of the Director City Infrastructure and the Director Financial Services of 12 April 2016, and attachments.

DELEGATION: Council

TO : Joint Meeting of Committees

FROM : Director City Infrastructure and Director Financial Services

DATE : 12 April 2016

SUBJECT : **TEN YEAR CAPITAL WORKS PROGRAM**

FILE : 21-3-2 mp: smlp (o:\council & committee meetings reports\joint committee reports\2016\20 april 2016\working documents\10 year capital works program.docx)

1. INTRODUCTION

1.1. This report addresses a resolution of Council which was adopted at its meeting of 22 June 2015 as noted below.

1. The Council endorse the draft Capital Works Program, shown at Attachment C to item 6 of the Open Finance Committee agenda, as a guide for officers in prioritising project development work for the next four financial years.

(i) Officers commence scoping and costing work for all projects on the draft program at which point the draft program be resubmitted to the Council for further consideration.

1.2. The purpose of the report is to present the Ten Year Capital Works Program for the period 2016/2017 to 2025/2026 and seek Council's approval for the projects within the first three years of the program.

2. BACKGROUND

2.1. Council has historically approved a New Asset Program totalling \$1.5 million per annum. Exceptions have occurred as one off projects, such as the McRobies Gully Waste Transfer Station, which substantially added to the program in 2011/2012. In addition, on average of about a further \$1.5 million per year has been spent on new asset projects funded by grants and asset renewal funding (where projects involved some asset replacement expenditure), giving a total annual expenditure on new assets of approximately \$3 million.

2.2. In more recent times, most new asset funding has been allocated to the Inner City Action Plan, and in 2015/2016 the New Asset budget was substantially increased to \$7.785 million as funding was provided for significant ICAP projects, including the upgrade of Liverpool Street and the Elizabeth Street Bus Mall. In recent years a standard amount of \$900,000 has been allocated for non-ICAP new asset projects, in line with a Council resolution from some years ago.

2.3. The Council has also historically approved an Asset Replacement budget that has ranged between \$16 million and \$18 million over the past four

years. This amount has increased to \$21.141 million in 2016/2017 due to increased renewal demand arising from updated condition data and service requirements.

2.4. Council has now requested that officers prepare a works program that includes significantly more Capital Works Projects than has historically been the case. Essentially, the Transforming Hobart projects program will replace what was formerly known as the New Assets Program, but will also include major asset upgrade projects, ICAP projects and significant grant funded new asset or upgrade projects.

2.4.1. Transforming Hobart projects in this report are defined as New Asset or Capital Upgrade projects which may also contain elements of Asset Renewal.

2.5. At its meeting of 22 June 2015 Council resolved that:

1. *The Council endorse the draft Capital Works Program shown at Attachment C to item 6 of the Open Finance Committee agenda, as a guide for officers in prioritising project development work for the next four financial years.*

(i) *Officers commence scoping and costing work for all projects on the draft program at which point the draft program be re-submitted to Council for further consideration.*

2. *Officers report back to Council on opportunities for external funding from both public and private sources, for projects highlighted at the end of the draft program.*

3. *The Council approve the development of a feasibility study into possible options to link the CBD to the waterfront, and resolving pedestrian issues with crossing Macquarie and Davey Streets, in the 2015/2016 financial year.*

2.6. This report addresses Clause 1 (i) of the resolution.

2.7. Officers have scoped each of the identified projects and determined a likely timeframe for the delivery.

2.8. Some projects have also been added to the project list where it has been identified that Council has previously or subsequently made a commitment.

2.9. In addition, as the General Manager advised the Council by memorandum in November 2015, the Council needs to replace its core business systems urgently. Given the majority of costs associated with this replacement will be capitalised, this issue is also covered in this report.

3. PROPOSAL

- 3.1. A Ten Year Capital Works Program has been developed which allows for a total of \$300 million capital works expenditure, including plant and equipment, over the next ten years. The proposed Ten Year Capital Works Program for the period 2016/2017 to 2025/2026 is appended to this report as **Attachment A**.
- 3.2. A total of \$97 million of the Program is for Transforming Hobart projects, with the remaining \$203 million being for the renewal of existing assets. Details of the first three years of the asset renewal program (i.e. Renewing Hobart) are contained within **Attachment B**.
- 3.3. It is proposed that Council approval be provided for the first year of the proposed program, namely 2016/2017. This will enable project design and documentation work to proceed ahead of the coming financial year and will enable resourcing needs to be determined and construction programming to commence.
- 3.4. It is further proposed that in principle approval be provided for the following two years of the program to enable planning to commence and for long term financial planning purposes.
- 3.5. Mechanisms will be available for Council to modify the details of the proposed 2016/2017 Capital Works Program between now and the approval of the next budget in June 2016, should it desire. These include the consideration of reports to Committees and Council that may result in resolutions involving new asset project funding or programming and during the formulation of the next budget.
- 3.6. Further, approval will be sought later in 2016 for the second year of the program, namely 2017/2018, to enable project planning and design work to be commenced well in advance of the 2017/2018 financial year.

Significant Transforming Hobart Capital Works Projects – Year 1 (2016/17)

- 3.7. Significant Transforming Hobart projects (ie over \$100,000) recommended for inclusion in Year 1 of the Ten Year Capital Works Program include the following:
 - 3.7.1. Inner City Action Plan
 - 3.7.1.1. AP03 Morrison Street Cycleway (\$1.2M to complete funding)
 - 3.7.1.2. AP07 Brooker Bridge (\$1M to complete funding)
 - 3.7.1.3. AP09 Collins Court (\$0.2M final stage)

- 3.7.1.4. AP10 Wayfinding and interpretation (\$0.2M interpretation signage)
- 3.7.1.5. AP14 Salamanca Place pedestrian works (\$0.5M stage 1)
- 3.7.2. Local Retail Precinct Upgrades
 - 3.7.2.1. South Hobart pedestrian crossings (\$0.35M)
 - 3.7.2.2. West Hobart pedestrian amenity (\$0.31M)
 - 3.7.2.3. Sandy Bay Retail Precinct (\$1.6M)
- 3.7.3. Public Toilet Strategy
 - 3.7.3.1. Centrepoint Car Park parenting facility refurbishment. (\$0.1M)
 - 3.7.3.2. Soldiers Memorial Oval community hub toilets (\$0.35M)
 - 3.7.3.3. Ancanthe Park toilet refurbishment (\$0.3M)
 - 3.7.3.4. TCA toilet renewal HC Smith Stand (\$0.46M)
- 3.7.4. Wellington Park – One Mountain
 - 3.7.4.1. Great Short Walks – Chalet to Sawmill Track Stage 1 (\$0.457M)
 - 3.7.4.2. Kunyani Gravity Trail – track and toilets (\$0.15M)
- 3.7.5. Queens Domain Program
 - 3.7.5.1. City to Garden Way (\$0.1M)
 - 3.7.5.2. Joggers Loop upgrading (\$0.25M)
 - 3.7.5.3. Cenotaph Regatta Grounds carpark (\$0.38M)
- 3.7.6. Other Transforming Hobart Projects
 - 3.7.6.1. City Hall – major refurbishment (\$0.4M – Stage 1)
 - 3.7.6.2. Town Hall – lift access to stage (\$0.45M)
 - 3.7.6.3. Town Hall facade lighting (\$0.235M)
 - 3.7.6.4. Late night economy toilets (\$0.15M)
 - 3.7.6.5. Kemp Street waste and recycling unit (\$0.15M)

- 3.7.6.6. Hobart Rivulet Linear Park (\$0.125M part funding)
 - 3.7.6.7. Ancanthe Park Master Plan (\$0.385M stage 1)
 - 3.7.6.8. Buckingham Bowls Club retaining wall (\$0.35M)
 - 3.7.6.9. Parking meters upgrade (\$3.0M)
 - 3.7.6.10. Cornelian Bay footpath (\$0.172M)
 - 3.7.6.11. Energy Savings Action Plan (\$0.1M annual)
- 3.8. Approximately half of these projects for 2016/2017 are for works outside the inner City.
- 3.9. In addition to the Transforming Hobart Projects named above, there are numerous asset renewal projects and asset upgrade projects that are planned for the 2016/17 financial year, with a total value of approximately \$21 million (Attachment B).
- 3.10. Council Business Systems Replacement
- 3.10.1. As advised previously, Council's existing core business systems, including core financials (Finance One, People One and Property and Rating) have been in place for some 15 years and are reaching the end of their useful life, including capacity of the provider, Technology One, to support them on the current platforms.
 - 3.10.2. Over this time there has also been significant change in technologies that could offer considerable improvement in the way Council operates, particularly with regard to integration across Council systems and functions. We are looking to move forward with highly integrated and contemporary systems across the whole of Council, standing the Council in good stead to meet community expectations in the future.
 - 3.10.3. Over the last four months working groups comprising employees have been formed, and supported by an external expert consultant, to review key business processes, develop a vision for the architecture of Council's new business systems and prepare a business requirements specification.
 - 3.10.4. It is intended to seek interest from suitably qualified vendors by public advertisement on 23 April 2016. The procurement is proposed to involve two stages with shortlisted vendors invited to tender in June. The detailed tender specification for stage two is currently being prepared.

- 3.10.5. It is envisaged that installation of core elements of the new system would commence in September / October 2016 for operational roll-out on 1 July 2017.
- 3.10.6. While a precise cost will not be available until the completion of the tender process, it is estimated that \$3.3million will be required in 2016/2017, of which \$3.1million would be treated as capital expenditure. The remaining \$200,000 (licences) has been included in the draft 2016/2017 operating budget.
- 3.10.7. A further \$1.5million is estimated to be required over the following four years, of which some \$660,000 would be capital.
- 3.10.8. Given a neighbouring Council is undertaking similar replacement, the potential to jointly procure has been investigated. Expert advice is that there are significant differences including the list of variables under consideration, the service mix of Councils, the functional maturity and the varying quality of the underlying data and information, which make it impossible for one version of the same software to address two entities to an appropriate level of capability.
- 3.10.9. The cost of the business systems replacement has been included in the financial modelling detailed in Section 6.

4. IMPLEMENTATION

- 4.1. The approval of Year One of the Capital Works Program by Council will provide certainty to Council officers in regard to proceeding with project design and documentation work ahead of the coming financial year and it will enable resourcing needs to be determined and construction programming to commence.
- 4.2. The in principle approval for the following two years will provide direction for officers to proceed with the preliminary planning, early stage community engagement, the seeking of grant funding and other early stages of the projects.
- 4.3. As noted above Council will be able to modify the details of the proposed 2016/2017 Capital Works Program between now and the approval of the next budget in June 2016, should it desire. This can be done through the consideration of reports to Committees and Council which result in resolutions involving new asset project funding or programming.
- 4.4. Further, approval will be sought later in 2016 for the second year of the program, namely 2017/2018, to enable project planning and design work to be commenced well in advance of the 2017/2018 financial year.

4.5. In terms of Council's capacity to undertake a works program, the value of capital projects completed over each of the past four years has ranged between \$18.7 million and \$22.1 million. The proposed capital works budget for 2016/2017 is \$35.4 million, plus \$3.1 million for business systems replacement.

4.5.1. It is highlighted that new assets require much more planning and community engagement than asset renewal projects.

4.5.2. In order to undertake significantly more new asset projects, additional officer and/or external resources will be required in order to plan, design, consult and construct the works.

5. STRATEGIC PLANNING IMPLICATIONS

5.1. The projects program has been developed in line with the Goals and Strategic Objectives of the Council's Strategic Plan 2014-2019 as shown on Attachments A and B.

6. FINANCIAL IMPLICATIONS

6.1. Funding Source(s)

6.1.1. The increased works program, including the business systems replacement, represents a large increase over that presently contained within Council's approved Long Term Financial Management Plan. The quantum of the proposed program will exhaust Council's cash balances thus requiring other funding sources in order to be able to undertake the program.

6.1.2. The most obvious sources are debt funding, cost savings, increased revenue and grant funding.

6.1.3. Realistically, grant funding, which is difficult to obtain, can only be expected to provide a low level of contribution. Assumed grants have been included for the following:

6.1.3.1. Battery Point walkway \$3M,

6.1.3.2. \$6.1M for Tasman Highway shared bridge, and

6.1.3.3. \$2.3M for miscellaneous other projects.

6.1.4. Revenue generation in the form of asset sales was suggested at the Aldermanic workshop. However, Council does not have a formal policy on this, nor a plan for asset sales, other than the proposals currently before the Finance Committee, so again, realistically, is unlikely to be able to contribute to any significant extent, particularly in the short term.

- 6.1.5. Debt funding and revenue increases are therefore the most realistic means to fund the expanded works program. Options include fully funding with debt (that is, the balance once current cash balances are exhausted), fully fund with revenue increases, or a combination of debt and revenue increases. An appropriate use of debt also assists in inter-generational equity.
- 6.1.6. In terms of revenue increases, rates represent Council's largest revenue stream. Consequently rates provide the greatest capacity to generate the necessary funds, although it remains a legitimate course to also look at increasing revenue from Council's other sources – primarily the services it provides to the community.
- 6.1.7. **Attachment D** shows some scenarios sourced from Council's Long Term Financial Management Plan of various combinations of debt levels and rate increases, to fund the program. The first scenario modelled is to fully fund the program with debt (i.e. the balance once current cash balances are exhausted). This amount is forecast at \$52M. Then models of \$40M debt, \$30M, \$20M, \$10M and nil debt. In each case as the level of debt decreases, rate increases need to be progressively higher in order to provide the funds for the program.
- 6.1.8. It is to be noted that if rate increases are to be part of the funding solution, those rate increases need to occur in the initial years, commencing in 2016/2017. This is because the proposed works program is larger in the initial five years.
- 6.1.9. At the Aldermanic workshop, the fully funding with debt scenario was presented. It was noted that compared to the most recent "pre capital works" version of the financial model that:
- 6.1.9.1. Operating surpluses declined (investment earnings decreasing, interest costs increasing as debt increased) but were still, generally, around the 0.5% to 1% of revenue mark. This is above the breakeven minimum benchmark, but lower than Council's usual target of around 2%.
- 6.1.9.2. The net financial liabilities ratio which is a measure of total debt, interest bearing and other, increased to be just above 50% of revenue. The Tasmanian Auditor General regards 0-50% to be indicative of low risk, 50-100% to be medium risk, and >100% to be high risk. This measure is calculated by deducting all liabilities from cash and investments and expressing the net figure as a % of revenue. If assets exceed the liabilities, a net financial asset exists. If liabilities exceed assets, a net financial liability exists.

- 6.1.9.3. Cash balances declined to be exhausted (thus requiring debt to fund the program) but then increase again as the 10 year capital works program ceases. However, closing cash balances at the end of the forecast period of 20 years, are substantially less than in the “pre capital works” version.
- 6.1.10. The remaining scenarios show, that as the level of debt is decreased, and rate increases in the initial years need to increase, the following occurs:
- 6.1.10.1. Operating surpluses increase significantly as a result of the rate increases (they need to in order to provide the necessary cash surpluses);
- 6.1.10.2. Debt decreases, as does the net financial liabilities ratio to be comfortably within the ‘low risk’ band; and
- 6.1.10.3. Cash balances increase substantially in the second half of the forecast period, to approach, then exceed, that forecast in the “pre capital works” version.
- 6.1.11. The modelling shows the various debt levels require the following levels of rate increases in order to fund the program.
- 6.1.11.1. Fully fund with debt, \$52M 2.5% per annum into the medium term (10-12 years) then moderating slightly;
- 6.1.11.2. \$40M debt 3.75% for 4 years, commencing in 2016/2017, then decreasing to 1-2% thereafter;
- 6.1.11.3. \$30M debt 4.25% for 4 years, commencing in 2016/2017, then decreasing to 1-2% thereafter;
- 6.1.11.4. \$20M debt 4.75% for 4 years, commencing in 2016/2017, then decreasing to 1-2% thereafter;
- 6.1.11.5. \$10M debt 5.25% for 4 years, commencing in 2016/2017, then decreasing to 1-2% thereafter; and
- 6.1.11.6. Nil debt 5.75% for 4 years, commencing in 2016/2017, then decreasing to 1-2% thereafter.
- 6.1.12. It is a matter for Council as to how it wishes to fund the program.
- 6.1.13. It should be noted that, as always, the financial modelling is necessarily based upon the assumptions contained within Council’s Long Term Financial Plan and that there is an inherent risk that circumstances may change, be it factors within or outside of Council’s control.

The matters set out in paragraph 6.4 are also relevant.

6.2. Impact on Current Year Operating Result

6.2.1. Nil.

6.3. Impact on Future Years' Financial Result

6.3.1. As detailed in section 6.1.

6.4. Asset Related Implications

6.4.1. Annual depreciation typically increases by about 2% of the asset value of new assets.

6.4.2. An accurate estimate of write off requires detailed analysis of the specific assets being replaced prematurely and needs to be considered at the individual project level. Assets written off are an expense to the operating statement and decrease the forecast operating surplus.

6.4.3. New or upgraded assets typically result in additional operating or maintenance costs, except where the opportunity is taken reduce ongoing costs such installations with more durable materials, reducing maintenance costs, or energy efficient upgrades lowering energy costs. Any increase in operating or maintenance costs are an expense to the operating statement and decrease the forecast operating surplus.

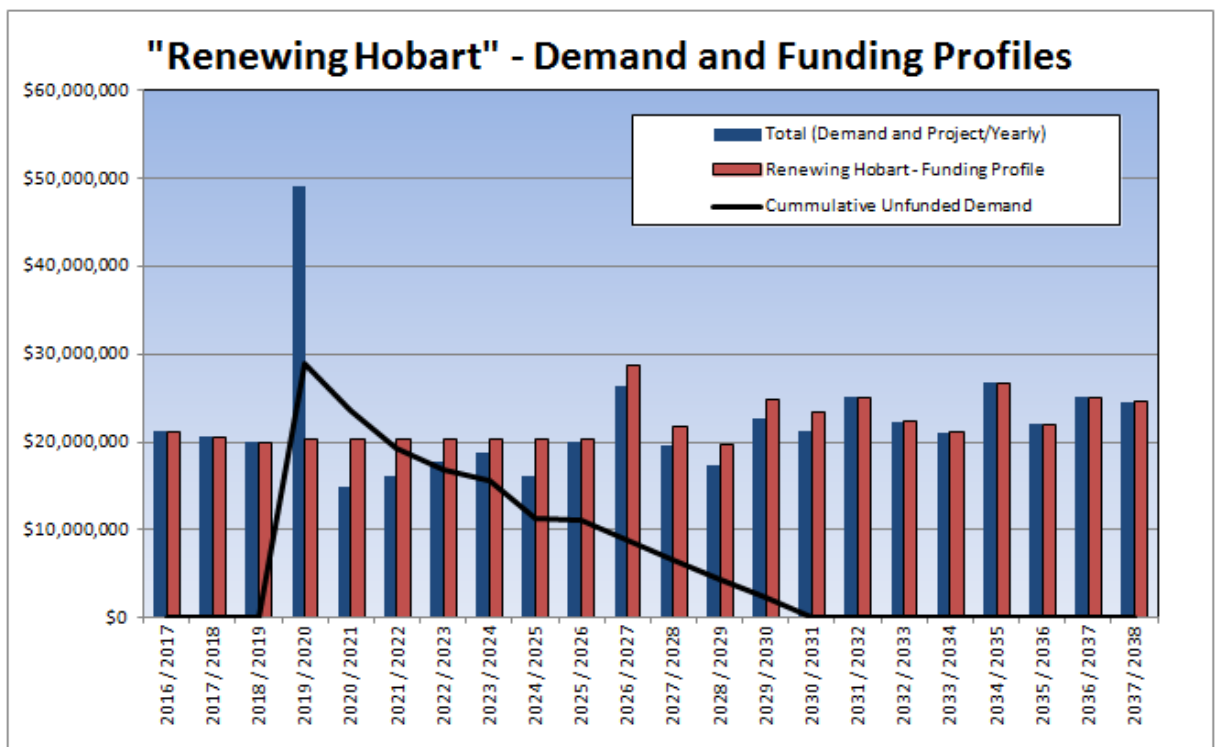
6.4.4. One of the key sustainability indicators in local government is the ability to fund the replacement of assets as they expire. This is measured by comparing the amounts required to replace assets as per asset management plans, with funding allocated in long term financial plans. This Council has consistently shown an ability to fund 100% of its requirement. It is therefore important to consider the impact, if any, the proposed Capital Works Program will have on this key indicator.

6.4.4.1. Modelling currently shows a large renewal requirement in 2019/2020. Not all of this will be able to be funded in that year, thus creating a backlog to be carried into subsequent years. However, this backlog will be able to be cleared in those subsequent years such that by the year 2030/2031 it will be fully cleared. The table overleaf shows the percentage of requirement funded each year and the cumulative backlog.

Year	% Renewal funded	Cumulative backlog	Year	% Renewal funded	Cumulative backlog
16/17	100%	Nil	26/27	108%	\$8.8M
17/18	100%	Nil	27/28	111%	\$6.6M
18/19	100%	Nil	28/29	113%	\$4.4M
19/20	41%	\$28.8M	29/30	113%	\$2.2M
20/21	136%	\$23.5M	30/31	110%	Nil
21/22	126%	\$19.3M	31/32	100%	Nil
22/23	113%	\$16.9M	32/33	100%	Nil
23/24	107%	\$15.5M	33/34	100%	Nil
24/25	126%	\$11.3M	34/35	100%	Nil
25/26	102%	\$11.0M	35/36	100%	Nil

Table: renewal funding requirement and cumulative backlog

6.4.5. The same data represented in a graphical format is shown below:



7. DELEGATION

7.1. This is a matter for Council to decide.

8. CONSULTATION

8.1. Consultation has occurred with the Executive Leadership Team and with other relevant officers from within the organisation.

9. CONCLUSION

9.1. Council has historically approved a New Asset Program totalling \$1.5 million per annum.

9.2. In more recent times, a large proportion of new asset funding has been allocated to the Inner City Action Plan, and in 2015/2016 the New Asset budget was substantially increased to \$7.785 million as funding was provided for significant ICAP projects, including the upgrade of Liverpool Street and the Elizabeth Street Bus Mall.

9.3. Council has also historically approved an Asset Replacement budget that has ranged between \$18 million and \$19.5 million over the past four years. At this stage it is projected that an average of \$20.3M per annum will be required over the next ten years in order for Council to fund its renewal requirements.

9.4. In terms of Council's capacity to undertake a works program, the value of capital projects completed over each of the past four years has ranged between \$18.7 million and \$22.1 million. Changes in the project delivery method and additional resources will be required in order to complete the additional project demand.

9.5. Officers have now prepared a works program that provides significantly more funding for Transforming Hobart projects than has historically been the case. Essentially, the Transforming Hobart projects program will replace what was formerly known as the New Assets Program, but will also include major asset upgrade projects such as ICAP projects, Local Retail Precinct Plan projects, Public Toilet Strategy, Wellington Park and Queens Domain projects.

9.6. Formal approval is sought for the first year of the proposed program, namely 2016/2017. This will enable project design and documentation work to proceed ahead of the coming financial year and will enable resourcing needs to be determined and construction programming to commence.

9.7. In principle approval is sought for the following two years of the program to enable preliminary stages of planning to commence and for long term financial planning purposes.

- 9.8. The proposed Transforming Hobart works program requires \$14.3M capital funding from Council in 2016/2017 and a total of \$96.762M Council funding over the life of the ten year program.
- 9.9. In addition some \$3.1million in capital expenditure is expected to be required for the replacement of the Council's core business systems in 2016/2017 with a further capital expenditure of \$610,000 in 2017/2018 and \$50,000 in 2018/2019. These amounts have been included in the financial modelling in Section 6.
- 9.10. The program will need to be part funded either by debt, or an increase in revenue, or a combination of both. Based upon the current long term financial plan, debt will not be required until approximately the 2018/2019 financial year. However, if an increase in revenue, which realistically means rate revenue, is to form part of the funding, those increases need to commence in the 2016/2017 financial year.
- 9.10.1. Accordingly, an indication is required from Council as to the preferred funding approach, given budget preparations for 2016/2017 are underway.
- 9.11. The Capital Works Program will mean that not all required asset renewal will take place, particularly in the 2019/2020 year. A backlog will be created but funding in subsequent years will mean this will be fully cleared by 2030/2031.

10. RECOMMENDATION

That:

- 10.1. *The report mp:smlp(o:\council & committee meetings reports\joint committee reports\2016\20 april 2016\working documents\10 year capital works program.docx) be received and noted.***
- 10.2. *The proposed 2016/2017 Capital Works Program be approved at a total capital cost to Council of \$38,543,420, including capital component of the Council's core business systems replacement, subject to any future variation that Council may approve prior to approving the 2016/2017 Budget.***
- 10.3. *The proposed Capital Works Program for years 2017/2018 and 2018/2019 be approved in principle for the purposes of preliminary planning.***

10.4. Council give an in principle indication of the preferred funding approach to the Capital Works program to enable 2016/2017 Budget preparation to continue.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



(Mark Painter)

DIRECTOR CITY INFRASTRUCTURE



(David Spinks)

DIRECTOR FINANCIAL SERVICES

Attachment(s)

A: Proposed Major Capital Projects Program – 10 Year Summary

B: Proposed Major Capital Projects Program – 3 Year Detail

C: Financial Modelling

Strategic Reference

Row Labels

Year 1: 2016 / 17	Year 2: 2017 / 18	Year 3: 2018 / 19	Year 4: 2019 / 20	Year 5: 2020 / 21	Sum of 2021 / 22	Sum of 2022 / 23	Sum of 2023 / 24	Sum of 2024 / 25	Sum of 2025 / 26
\$35,443,420	\$40,954,673	\$38,192,427	\$39,201,354	\$33,551,354	\$24,946,354	\$23,076,354	\$21,976,354	\$21,501,354	\$21,156,354

\$300,000,000

Transforming Hobart

1.3
2.1
2.2
4.2

Inner City Action Plan	\$ 3,330,000	\$ 9,759,000	\$ 9,250,000	\$ 2,600,000	\$ 5,600,000	\$ -	\$ -	\$ -	\$ -	\$ -
AP01 - Liverpool, Collins and Murray Street Upgrades	\$ -	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP02 - Elizabeth Street Bus Mall	\$ 80,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP03 - Morrison St - Stage 2	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP04 - Collins Street / Hobart Rivulet Linear Park Connection	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP05 - Elizabeth Mall / Wellington Court Connection	\$ -	\$ 150,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP06 - Campbell Street Upgrade (City Campus Project)	\$ -	\$ 100,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -
AP07 - Brooker Bridge - Pedestrian & Cyclist High Level Crossing over Brooker Ave	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP08 - Castray Esplanade Upgrade	\$ 50,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP09 - Collins Court Revitalisation (Stage 2- Pedestrian Amenity)	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP10 - City Wayfinding Signage	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP10 - City Interpretation Signage	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP14 - Salamanca Pedestrian Works	\$ 500,000	\$ 150,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP16 - Battery Point Walkway - Stage 1	\$ 50,000	\$ 50,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP17 - Hunter/Evans redevelopment post MAC1	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
AP18 - Tasman Highway Shared Bridge	\$ -	\$ 6,509,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AP19 - Kemp Street Upgrade	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Linking CBD to the Waterfront	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Traffic improvements - Bathurst/ Elizabeth	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Macquarie Point linkage to CBD	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -

\$30,539,000

1.3
2.2

Local Retail Precinct Upgrades	\$ 2,260,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,000,000	\$ 1,750,000	\$ -	\$ -	\$ -	\$ -
Battery Point Retail Precinct Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -	\$ -
Elizabeth Street Retail Precinct Upgrade	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lenah Valley Retail Precinct Upgrade	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Town Retail Precinct Upgrade	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Hobart Pedestrian Crossing	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Hobart Retail Precinct Upgrade	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
West Hobart Pedestrian Amenity Improvements	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sandy Bay Road Qualyle St to Duke St Footpath Renewal Works	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\$12,510,000

1.4
2.2
4.2

Public Toilet Strategy 2015-2025	\$ 1,405,000	\$ 1,700,000	\$ 1,135,000	\$ 1,300,000	\$ 1,000,000	\$ 550,000	\$ 1,000,000	\$ 900,000	\$ 425,000	\$ -
Argyle St Carpark Public Convenience Refurbishment	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clare St Oval Public Convenience Renewal	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -
Cornelian Bay Public Convenience Internal Refurbishment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Domain Athletics Centre - Public Convenience Internal Refurbishment	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Summit Public Convenience	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hobart Central Car Park Public Convenience Internal Refurbishment	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hobart Rivulet Park - Lower Section New Public Convenience	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
K&D Brickworks Development New Public Convenience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Lower Sandy Bay Playground Toilet Renewal	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Hobart Cultural Park - Amenities Building Renewal	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nutgrove Beach Reserve Toilet Access Pathway Improvement	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prossers Restaurant Public Convenience Internal Refurbishment	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Queens Walk Oval Public Convenience Accessible Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Regatta Ground Pavilion & Change Rooms Renewal	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Hobart Oval Public Conveniences Internal Refurbishments	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swan St Public Convenience Building Renewal	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tolmans Hill New Public Convenience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Washington St Playground Public Convenience Internal Refurbishment	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waterworks Reserve No.2 Public Convenience Internal Refurbishment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
West Hobart Oval Public Conveniences Internal Refurbishment	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Town Oval Public Convenience Works (Further scoping required)	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Queenborough Oval Toilet Works (Further scoping required)	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 100,000	\$ -
Wellesley Park Pavilion Public Convenience Internal Refurbishment	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cascade Gardens Public Convenience - Accessible Toilet Installation	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Centrepoint Car Park - Refurbishment of Parenting Facility	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franklin Square Public Convenience Internal Refurbishment	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Friends Park Public Convenience Accessible Toilet Provision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Knocklofty Reserve - New Public Convenience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000	\$ -
Long Beach Surf Life Saving Pavilion - Internal Refurbishment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Mt Nelson Public Convenience - Improve Accessibility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -
North Hobart Oval Public Conveniences - Further Review Required to Establish Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -
Regatta Ground Colvin Stand Public Convenience Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Public Convenience - Annual Allocation for Accessibility Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
SMO Stage 3 Community Hub Toilets	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wellington Park Fern Tree Park Public Convenience Renewal	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wellington Park Lenah Valley Rd Entrance New Public Convenience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -

\$9,415,000

Strategic Reference	Row Labels	Year 1: 2016 / 17	Year 2: 2017 / 18	Year 3: 2018 / 19	
	Total "ALL WORKS"	\$35,443,420	\$40,954,674	\$38,192,428	\$114,590,522

Transforming Hobart

	Inner City Action Plan	\$ 3,330,000	\$ 9,759,000	\$ 9,250,000	\$22,339,000
	AP01 - Liverpool, Collins and Murray Street Upgrades	\$ -	\$ 500,000	\$ 250,000	
	AP02 - Elizabeth Street Bus Mall	\$ 80,000	\$ 1,500,000	\$ -	
	AP03 - Morrison St - Stage 2	\$ 1,200,000	\$ -	\$ -	
	AP04 - Collins Street / Hobart Rivulet Linear Park Connection	\$ -	\$ -	\$ 1,400,000	
	AP05 - Elizabeth Mall / Wellington Court Connection	\$ -	\$ 150,000	\$ 500,000	
	AP06 - Campbell Street Upgrade (City Campus Project)	\$ -	\$ 100,000	\$ 600,000	
	AP07 - Brooker Bridge - Pedestrian & Cyclist High Level Crossing over Brooker Avenue	\$ 1,000,000	\$ -	\$ -	
1.3	AP08 - Castray Esplanade Upgrade	\$ 50,000	\$ 300,000	\$ -	
2.1	AP09 - Collins Court Revitalisation (Stage 2- Pedestrian Amenity)	\$ 200,000	\$ -	\$ -	
2.2	AP10 - City Wayfinding Signage	\$ 50,000	\$ -	\$ -	
4.2	AP10 - City Interpretation Signage	\$ 200,000	\$ -	\$ -	
	AP14 - Salamanca Pedestrian Works	\$ 500,000	\$ 150,000	\$ 1,000,000	
	AP16 - Battery Point Walkway - Stage 1	\$ 50,000	\$ 50,000	\$ 3,000,000	
	AP17 - Hunter/Evans redevelopment post MAC1	\$ -	\$ -	\$ 500,000	
	AP18 - Tasman Highway Shared Bridge	\$ -	\$ 6,509,000	\$ -	
	AP19 - Kemp Street Upgrade	\$ -	\$ 500,000	\$ -	
	Traffic improvements - Bathurst/ Elizabeth	\$ -	\$ -	\$ 2,000,000	

	Local Retail Precinct Plan	\$ 2,260,000	\$ 2,000,000	\$ 2,000,000	\$6,260,000
	Lenah Valley Retail Precinct Upgrade	\$ -	\$ 2,000,000	\$ -	
	New Town Retail Precinct Upgrade	\$ -	\$ -	\$ 2,000,000	
1.3	South Hobart Pedestrian Crossing	\$ 350,000	\$ -	\$ -	
2.2	West Hobart Pedestrian Amenity Improvements	\$ 310,000	\$ -	\$ -	
	Sandy Bay Road Qualyle St to Duke St Footpath Renewal Works	\$ 1,600,000	\$ -	\$ -	

	Public Toilet Strategy 2015-2025	\$ 1,405,000	\$ 1,700,000	\$ 1,135,000	\$4,240,000
	Argyle St Carpark Public Convenience Refurbishment		\$ 500,000		
	Domain Athletics Centre - Public Convenience Internal Refurbishment	\$ -	\$ 100,000	\$ -	
	Domain Summit Public Convenience	\$ -	\$ 250,000	\$ -	
	North Hobart Cultural Park - Amenities Building Renewal	\$ -	\$ -	\$ 300,000	
	Prossers Restaurant Public Convenience Internal Refurbishment	\$ -	\$ 50,000	\$ -	
	Regatta Ground Pavilion & Change Rooms Renewal	\$ -	\$ -	\$ 350,000	
	Swan St Public Convenience Building Renewal	\$ -	\$ 250,000	\$ -	
1.4	Washington St Playground Public Convenience Internal Refurbishment	\$ -	\$ 250,000	\$ -	
2.2	West Hobart Oval Public Conveniences Internal Refurbishment	\$ -	\$ -	\$ 85,000	
4.2	Wellesley Park Pavilion Public Convenience Internal Refurbishment	\$ 70,000	\$ -	\$ -	
	Centrepont Car Park - Refurbishment of Parenting Facility	\$ 100,000	\$ -	\$ -	
	Franklin Square Public Convenience Internal Refurbishment	\$ 75,000	\$ -	\$ -	
	Public Convenience - Annual Allocation for Accessibility Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	
	SMO Stage 3 Community Hub Toilets	\$ 350,000	\$ -	\$ -	
	Wellington Park Fern Tree Park Public Convenience Renewal	\$ -	\$ 250,000	\$ -	
	Ancanthe Park (Lady Franklin Museum) Public Convenience	\$ 300,000	\$ -	\$ -	
	TCA Ground Toilet Block - Building Renewal	\$ -	\$ -	\$ 350,000	

TCA HC Smith Stand - Toilet Renewal

\$	460,000	\$	-	\$	-
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	Wellington Park - One Mountain	\$	662,800	\$	1,420,000	\$	1,250,000	\$3,332,800
	Great Short Walks - Organ Pipes Track - Chalet to Sawmill Track (Stage 1)	\$	457,500	\$	-	\$	-	
2.2	Great Short Walks - Pinnacle Track - Springs To Zig Zag Track	\$	-	\$	710,000	\$	-	
3.2	Kunyani Gravity Trail - Track and Toilets	\$	150,000	\$	-	\$	700,000	
3.3	Pipeline Trail - Fern Tree Park Master Plan	\$	-	\$	500,000	\$	250,000	
4.2	The Slides Connector Track	\$	55,300	\$	-	\$	-	
	Springs Public Facilities Upgrade (Part Of GSW)	\$	-	\$	-	\$	300,000	
	Great Short Walks - Springs Feeder Tracks	\$	-	\$	210,000	\$	-	

	Queens Domain Program	\$	867,874	\$	1,626,000	\$	1,430,000	\$3,923,874
	City to Gardens Way	\$	100,000	\$	-	\$	400,000	
1.4	Domain Paid Parking area - improvements to footpath and lighting	\$	-	\$	-	\$	1,000,000	
2.1	Domain Summit Facilities	\$	50,000	\$	250,000	\$	-	
2.2	Queens Domain Master Plan - Beaumaris Zoo Precinct Planning	\$	-	\$	-	\$	30,000	
2.4	Queens Domain Joggers Loop Upgrade	\$	250,000	\$	-	\$	-	
3.2	TCA Change Rooms (Visitor's Change Rooms) Minor Internal Refurbishment and Future D	\$	50,000	\$	-	\$	-	
3.3	TCA Concrete Grandstand Demolition	\$	-	\$	100,000	\$	-	
4.2	TCA Hobart Football Club Facilities Refurbishment Design	\$	50,000	\$	-	\$	-	
	TCA Ground playing surface replacement	\$	-	\$	1,276,000	\$	-	
	Cenotaph Regatta Grounds - McVilly Drive Carpark	\$	367,874	\$	-	\$	-	

	Other Transforming Hobart Projects	\$	5,776,798	\$	3,840,000	\$	3,225,000	\$12,841,798
	Corporate Property	\$	1,085,000	\$	200,000	\$	150,000	\$1,435,000
4.2	City Hall Renewal - Major Refurbishment	\$	400,000	\$	200,000	\$	-	
2.4	Town Hall - Lift Access to Stage & Amenities DDA Renewal	\$	450,000	\$	-	\$	-	
1.3 & 2.4	Town Hall Macquarie Street - Exterior Facade Lighting Upgrade	\$	235,000	\$	-	\$	-	
1.4	Council Centre - Gateway Visitor Centre (Ground Floor Council Centre)	\$	-	\$	-	\$	150,000	

	Community Development	\$	210,000	\$	265,000	\$	-	\$475,000
1.4	Elizabeth St Mall Information Booth Renewal	\$	-	\$	265,000	\$	-	
1.4 & 2.2 & 4.2	Mt Nelson Community Hall Toilet Upgrade	\$	60,000	\$	-	\$	-	
1.3 & 1.4 & 4.2	Late Night Economy Toilets	\$	150,000	\$	-	\$	-	

	Solid Waste Management	\$	201,880	\$	-	\$	-	\$201,880
3.2	Commercial Waste & Recycling Receiving Facility	\$	150,000	\$	-	\$	-	
	Waste Management Centre Walkway	\$	51,880	\$	-	\$	-	

	Parks and Bushland Infrastructure	\$	560,000	\$	675,000	\$	175,000	\$1,410,000
	Cascade Gardens Car Park	\$	-	\$	200,000	\$	-	
3.3	Hobart Rivulet Linear Park - Vicinity of Anglesea Street	\$	125,000	\$	125,000	\$	125,000	
4.2	Tolmans Hill Playground	\$	-	\$	300,000	\$	-	
	Ancanthe Park Master Plan	\$	385,000	\$	-	\$	-	
3.2	Bushland Fund	\$	50,000	\$	50,000	\$	50,000	

	Sporting Facilities	\$	350,000	\$	-	\$	-	\$350,000
4.2	Buckingham Bowls Club Wall Replacement	\$	350,000	\$	-	\$	-	

	On Street Parking	\$	3,000,000	\$	-	\$	-	\$3,000,000
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2.1	Parking Control Equipment	\$ 1,500,000	\$ -	\$ -	
	Parking Meter Renewal Stage 2	\$ 1,500,000	\$ -	\$ -	
	Road Infrastructure	\$ 171,770	\$ 1,400,000	\$ 1,600,000	\$3,171,770
	City Laneways and Paths - Access and Lighting Upgrades	\$ -	\$ 100,000	\$ 100,000	
	Huon Road Uphill Widening for Cyclists	\$ -	\$ -	\$ 500,000	
2.1	University Traffic Works - Sandy Bay Campus		\$ 300,000	\$ -	
2.2	Implementation Of Transport Strategy	\$ -	\$ 500,000	\$ 500,000	
4.3	Cornelian Bay Footpath (Queens Walk - Cornelian Bay to Stainforth Ct)	\$ 171,770	\$ -	\$ -	
	Street Light Upgrades (TasNetworks)	\$ -	\$ 500,000	\$ -	
	Summerleas Road Footpaths	\$ -	\$ -	\$ 500,000	
	Stormwater Reticulation & Rivulets	\$ 98,148	\$ 1,200,000	\$ 1,200,000	\$2,498,148
	Implementation of Stormwater Strategy	\$ -	\$ 200,000	\$ 200,000	
3.2	Lefroy St Stormwater Upgrade	\$ 98,148	\$ -	\$ -	
	Maypole Stormwater Upgrade	\$ -	\$ 1,000,000	\$ 1,000,000	
	Energy Savings Action Plan	\$ 100,000	\$ 100,000	\$ 100,000	\$300,000
3.4	Energy Savings Action Plan Implementation	\$ 100,000	\$ 100,000	\$ 100,000	
	Transforming Hobart	\$ 14,302,472	\$ 20,345,000	\$ 18,290,000	\$52,937,472



Renewing Hobart

	Corporate Buildings	\$ 595,000	\$ 699,000	\$ 504,848	\$1,798,848
	Community Buildings	\$ 271,936	\$ 110,000	\$ -	\$381,936
	Public Art	\$ 50,000	\$ 50,000	\$ 50,000	\$150,000
	Off Street Parking	\$ 244,000	\$ 80,000	\$ 110,000	\$434,000
	Doone Kennedy Hobart Aquatic Centre	\$ 1,332,550	\$ 1,020,000	\$ 500,000	\$2,852,550
	OPEN SPACE	\$ 3,906,475	\$ 2,438,074	\$ 3,518,301	\$ 9,862,850
	Bushland Infrastructure	\$ 530,117	\$ 821,450	\$ 855,992	\$2,207,559
	Parks Infrastructure	\$ 1,485,857	\$ 1,012,137	\$ 692,137	\$3,190,131
	Sporting Infrastructure	\$ 1,890,501	\$ 604,487	\$ 1,970,172	\$4,465,160
	Solid Waste	\$ 420,000	\$ 452,202	\$ 345,000	\$1,217,202
	ROAD AND TRANSPORTATION INFRASTRUCTURE	\$ 10,342,630	\$ 11,178,795	\$ 9,695,000	\$ 31,216,425

Asphalt Footpaths	\$ 25,000	\$ 1,704,000	\$ 1,849,000	\$3,578,000
Roads Civil Works	\$ 3,397,800	\$ 2,310,000	\$ 2,846,000	\$8,553,800
Road Minor Works	\$ 612,750	\$ 580,000	\$ 650,000	\$1,842,750
Overlay	\$ 2,117,200	\$ 2,290,000	\$ 1,680,000	\$6,087,200
Pavements	\$ 2,172,000	\$ 3,078,000	\$ 1,736,000	\$6,986,000
Reseal Preparation	\$ 450,000	\$ 430,000	\$ 336,000	\$1,216,000
Roads Infrastructure	\$ 807,441	\$ 70,000	\$ 30,000	\$907,441
Slurry Seal	\$ 418,139	\$ 335,000	\$ 288,000	\$1,041,139
Traffic Projects	\$ 342,300	\$ 381,795	\$ 280,000	\$1,004,095
Stormwater & Rivulets	\$ 780,485	\$ 575,518	\$ 850,000	\$2,206,003
Miscellaneous Projects	\$ 943,974	\$ 1,088,974	\$ 943,974	\$2,976,922
ICT Renewals	\$ 583,902	\$ 724,974	\$ 880,570	\$2,189,446
Plant, Vehicles & Equipment	\$ 1,669,996	\$ 2,192,137	\$ 2,504,735	\$6,366,868
Total (Renewing Hobart)	\$ 21,140,948	\$ 20,609,674	\$ 19,902,428	\$61,653,050
Total "ALL WORKS"	\$ 35,443,420	\$ 40,954,674	\$ 38,192,428	\$ 114,590,522

Capital Works modelling - Inclusion of capital works program with scenarios modelled using differing combinations of debt and rate increases to fund the program.

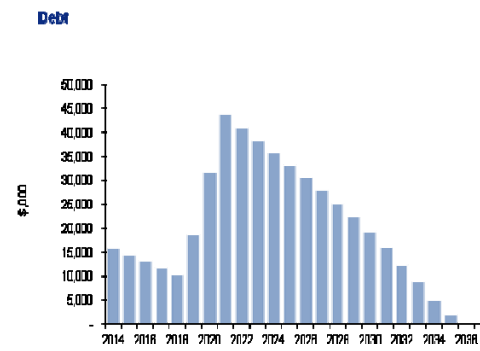
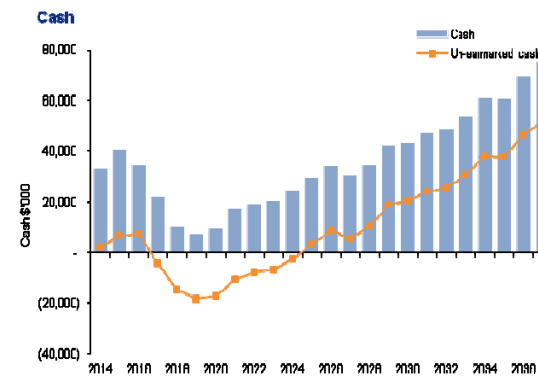
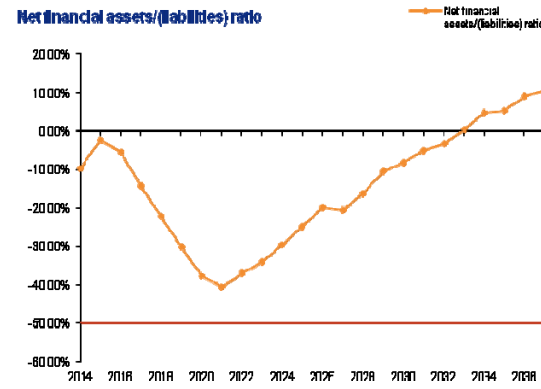
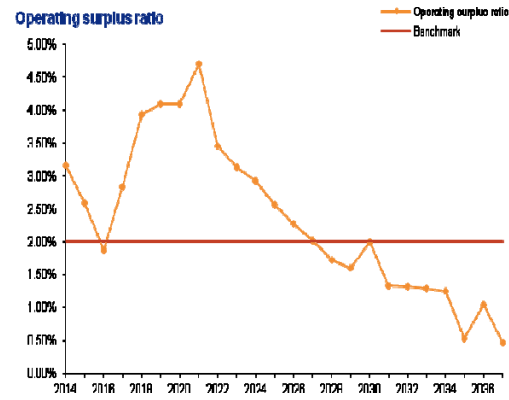
Analysis:

- Commencing with Version 15 (works program funded with debt of \$52M being the version presented at aldermanic workshop), we note operating surpluses are forecast, the net financial liabilities ratio marginally exceeds 50% (the upper limit of the Auditor General’s ‘low risk’ band), cash balances are small, and debt is at its highest point.
- As we then move through the versions funding the works program with lesser amounts of debt, rates increases need to rise progressively in order to provide the funds for the works program. Further, these rate increases need to occur in the initial years (commencing 16/17) - because the works program is larger in the initial 5 years.
- The lower amounts of debt, and larger rate increases have the effect of:
 - Increasing annual surpluses (needed to provide the cash surpluses necessary to fund the program),
 - Decreasing debt and the net financial liabilities ratio
 - Increasing cash balances substantially in the second half of the forecast period
- What are the rate increases?
 - Version 15 \$52M debt 2.5%per annum into the medium term (10-12) years, then moderating slightly
 - Version 15E \$40M debt 3.75% for 4 years commencing 16/17, then decreasing to 1.75-2% thereafter
 - Version 15D \$30M debt 4.25% for 4 years commencing 16/17, then decreasing to 1.5-2% thereafter
 - Version 15C \$20M debt 4.75% for 4 years commencing 16/17, then decreasing to 1-2% thereafter
 - Version 15B \$10M debt 5.25% for 4 years commencing 16/17, then decreasing to 1-2% thereafter
 - Version 15A Nil debt 5.75% for 4 years commencing 16/17, then decreasing to 1-2% thereafter

Version	Description	Surplus ratio	Net financial liabilities ratio	Cash	Debt	Comments
Version 15	Fund works program with debt - \$52M. Rate increases left at 2.5%pa					<ul style="list-style-type: none"> • Smaller surpluses than the ‘pre capital works’ version • Net financial liabilities marginally above the ‘low risk’ band • Cash balances substantially lower than the ‘pre capital works’ version • Debt peaks at \$47M

Version 15E

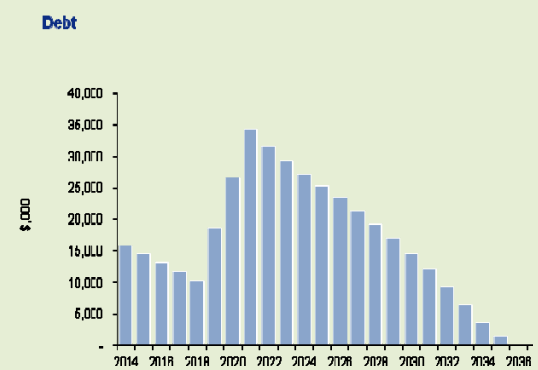
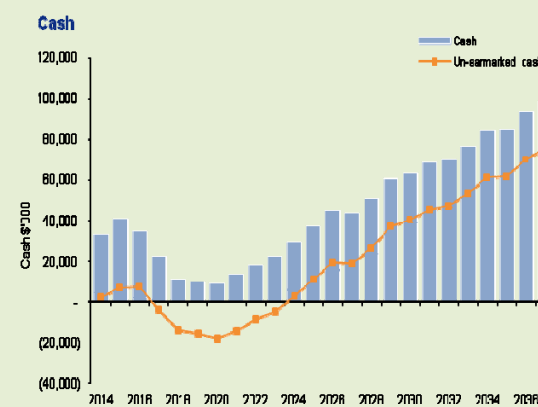
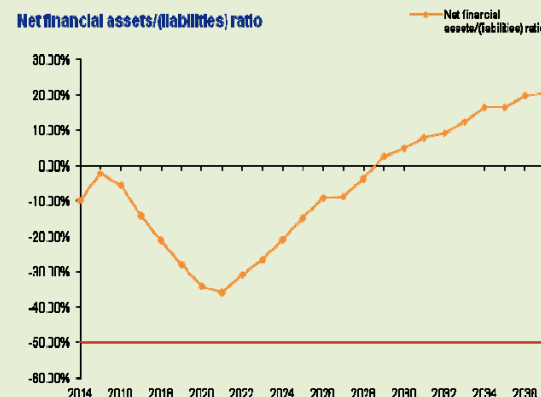
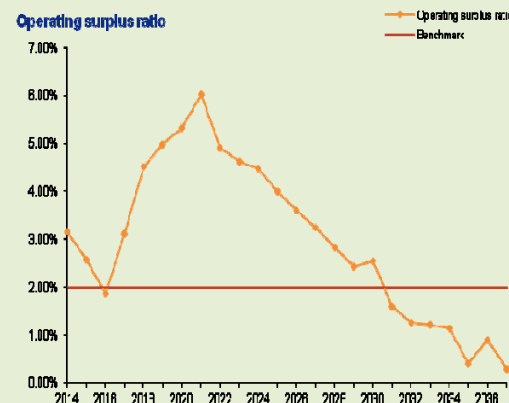
\$40M debt requiring 3.75% rate increases first 4 years



- Surpluses higher
- Net financial liabilities lower
- Cash balances higher
- Debt peaks at \$43.9M

Version 15D

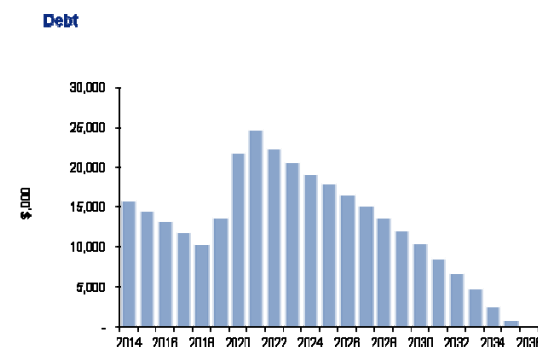
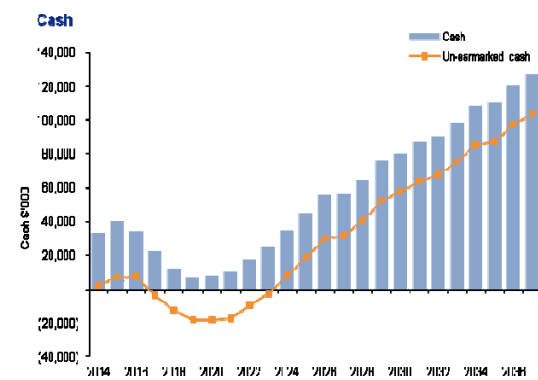
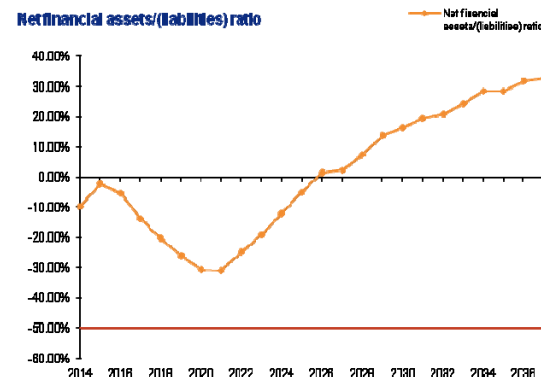
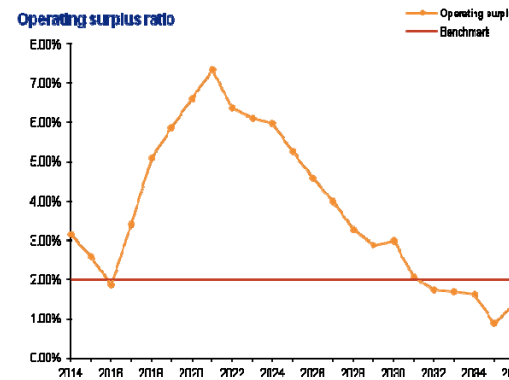
\$30M debt requiring 4.25% rate increases first 4 years



- Surpluses increase further
- Net financial liabilities decrease further
- Cash balances increase further
- Debt peaks at \$34.1M

Version 15C

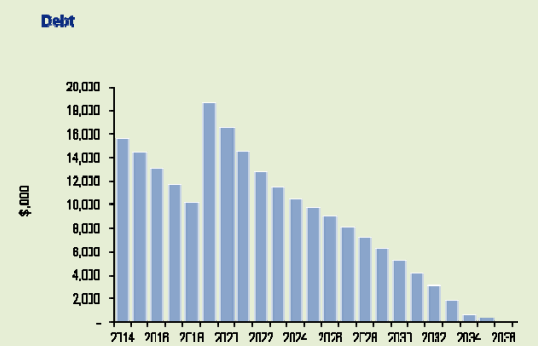
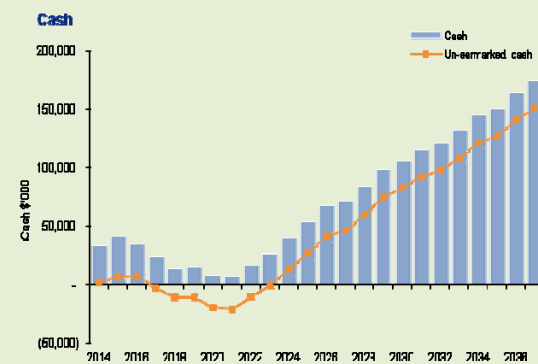
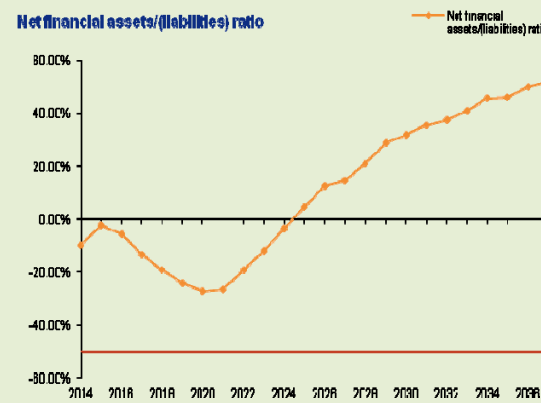
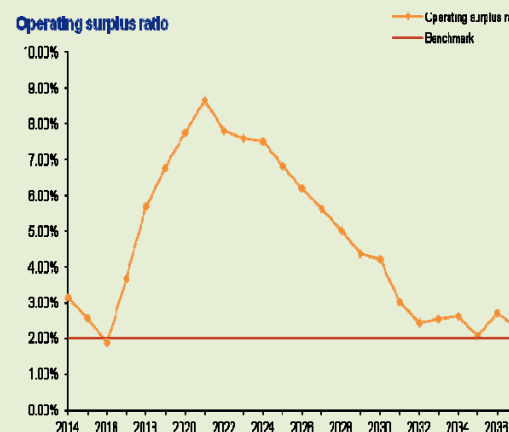
\$20M debt requiring 4.75% rate increases first 4 years



- Surpluses increase further
- Net financial liabilities decrease further
- Cash balances increase further
- Debt peaks at \$24.6M

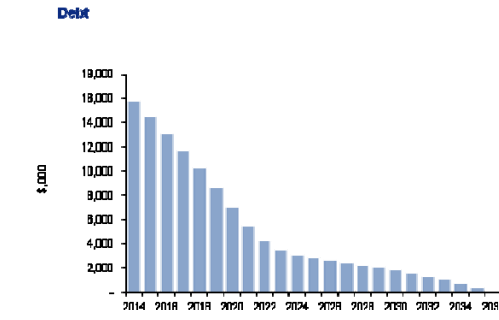
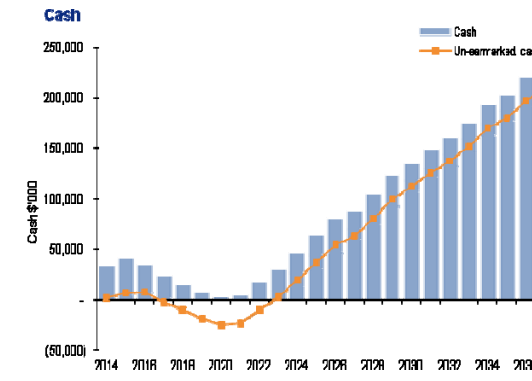
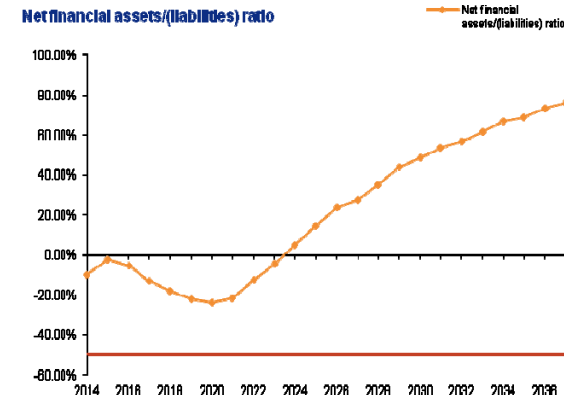
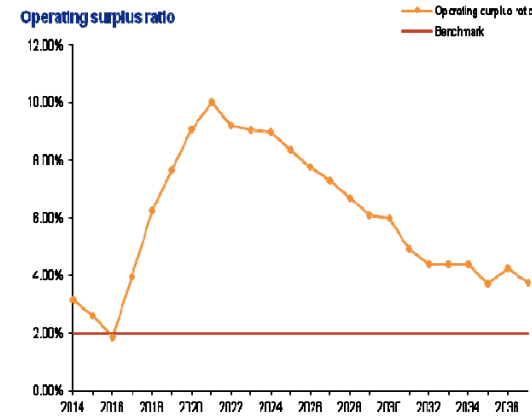
Version 15B

\$10M debt requiring 5.25% rate increases first 4 years



- Surpluses increase further
- Net financial liabilities decrease further
- Cash balances increase further
- Debt peaks at \$18.6M

Version 15A Nil debt requiring 5.75% rate increases first 4 years



- Surpluses increase further
- Net financial liabilities decrease further
- Cash balances increase further
- Debt peaks at \$13.0M (being unchanged from present)